S-E-C-R-E-T FE

TO : Chief, FE EGGA-1112

INFO : EE CCC/3 FOB BOB MOB/LD 32W 5-29/2

FROM : Chief of Base, Hamburg 28 November 1958

SUBJECT: Operational/LCHARVEST/CAHELM Marked for Indexing

Deutsche China-Gesellschaft/Visit of Communist Chinese Trade Officials to Hamburg and the Ruhr Area

ACTION REQUIRED. For your information.

REFERENCE: HAMB 679 (not sent to MOB)

1. Director *WANG Hsiang-Chu (born 17 July 1903 in China) and *WANG Hsiao-ta (born 1 December 1917 in China) of the CHINA NATIONAL METALS IMPORT CORPORATION (CNMIC), Berne, Switzerland, were guests of Wolf Schenke's Deutsche China-Gesellschaft (DCG) in Hamburg from 18 to 20 November 1958. After leaving Hamburg the Chinese visitors called on several firms in the Ruhr area. They were accompanied by Wolf Schenke on at least part of the calls, notably to the KRUPP firm in Essen and the PHOENIX-RHEINROHR AG. The Chinese also reportedly met Arthur AHMANN in the Ruhr area. A copy of the Hamburg hotel registration slip, showing the signatures of the two Chinese, is enclosed for Chief, FE. An intelligence report (ECG-57) on the visit of the Chinese to Hamburg and the Ruhr was forwarded in Reference. (For MOB: You were inadvertently left off distribution of Reference; however the essentials are repeated in this dispatch.)

2. According to a DCG circular letter dated 17 November, the two Wangs were accompanied by *HSU Tan-shu, also of CNMIC, on their tour of the Federal Republic which reportedly lasted from 15 October to 5 November 1958. According to the DCG bulletin, Director Wang wanted to obtain a personal impression of the capabilities of the leading firms in the German iron and steel industry in view of the large requirements China will allegedly have for these products in the coming year. The bulletin also reported that in the first six months of 1958, Director Wang made purchases in the Federal Republic amounting to about 165 million DM.

3. CAHELM reported that Schenke's chief contact in Berne appeared to be Director Wang of CNMIC and that Wang was probably Schenke's contact man, and source of funds, for the Chinese Communist regime. CAHELM's report was based on remarks of a German security official, who told CAHELM that Schenke was shadowed in Berne and was found to be contacting the CNMIC office almost exclusively.

4. The DCG now reportedly receives substantial financial support from Otto SCHILLING, well-known Hamburg East-West metals trader, and Director DEITZ of the KRUPP firm in Essen as a result of Wang's negotiating business with these firms in the company of Schenke. Schenke apparently set up a meeting in Hamburg between

/Schilling and Wang

S-E-C-R-E-T

DECLASSIFIED AND RELEASED BY
CENTRAL INTELLIGENCE AGENCY
SOURCES METHODS EXEMPTION 3B2B
NAZI WAR CRIMES DISCLOSURE ACT
DATE 2005

BEST AVAILABLE COPY

Schilling and Wang which resulted in a sizeable contract for Schilling, who shortly thereafter became a member of the DCG.

5. Schenke allegedly saw Director BEITZ of the KRUPP firm on 21 October, at which time Beitz agreed to give financial support to the DCG. Fnu KÜHN, who appears to handle China trade matters for Beitz, was to be Beitz' contact man with the DCG. Neither Beitz nor the Krupp firm will be registered members of the DCG. Fnu DETJEN and fnu KELLER of the Krupp firm were also present at the alleged conference.

6. The two Wangs spent at least one evening at the TUN HUÄNG restaurant on the Alster, for business and private discussions. The proprietors of the restaurant were allegedly present during most of the discussion, and according to Schenke they are pro-Red China. The Hamburg telephone book lists a hotel-restaurant combination Hotel EXCELSIOR and TUN HUÄNG II Restaurant-Bar, Hamburg 1, An der Alster 23, telephone 24 64 37. Also listed at the Alster 23 address are *S.H. LING and *H.C. NI, import-export, tel: 24 38 84. NI is also listed as *Wilbur H.C. NI, An der Alster 10, tel: 24 44 91.

[redacted]

Attachment: h/w
Hotel registration slip

Distribution:
2-FE w/Att.
2-EE w/o Att.
2-COS/C w/o Att.
2-FOB w/o Att.
2-BOB w/o Att.
2-MOB/LD w/o Att.

BEST AVAILABLE COPY